

Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Continental Resources, Inc.
Well Name/Number: Buffalo Creek 12-23SH
Location: SW NW Section 23 T6N R61E
County: Fallon, **MT;** **Field (or Wildcat)** West Cedar Hills Unit

Air Quality

(possible concerns)

Long drilling time: No, 20 to 30 days drilling time.

Unusually deep drilling (high horsepower rig): Yes, triple derrick drilling rig to go 10,844'MD/8814'TVD.

Possible H2S gas production: Yes, possible H2S gas production.

In/near Class I air quality area: No class I air quality area.

Air quality permit for flaring/venting (if productive): Yes, DEQ air quality permit required under 75-2-211.

Mitigation:

☒ Air quality permit (AQB review)

☒ Gas plants/pipelines available for sour gas

☐ Special equipment/procedures requirements

☐ Other: _____

Comments: No special concerns – using triple rig to drill to 10,844'MD/8814'TVD.

Water Quality

(possible concerns)

Salt/oil based mud: Yes, freshwater and freshwater mud system on surface hole and oil based invert mud system on main hole and brine water for horizontal lateral.

High water table: No high water table anticipated.

Surface drainage leads to live water: Yes, location is about, 1/32 of a mile to the east of an unnamed ephemeral tributary drainage to Buffalo Creek. Within this ephemeral drainage is a stock pond, about 1/2 of a mile to the south southeast from this location.

Water well contamination: No, no water wells listed on GWIC website, within 1 mile of this location in Montana. Surface hole will be drilled with freshwater and freshwater mud. Surface casing will be cemented to surface from 1440'.

Porous/permeable soils: No, sandy clay soils.

Class I stream drainage: No Class I stream drainages in the area of review.

Mitigation:

☒ Lined reserve pit

☒ Adequate surface casing

☐ Berms/dykes, re-routed drainage

☐ Closed mud system

☐ Off-site disposal of solids/liquids (in approved facility)

☐ Other: _____

Comments: 1440' of surface casing cemented to surface adequate to protect freshwater zones.

Soils/Vegetation/Land Use

(possible concerns)

Stream crossings: No, stream crossing required.

High erosion potential: No, moderate cut, up to 16.6' and moderate fill, up to 11.3', required.

Loss of soil productivity: No, location will be restored after drilling, if nonproductive. If productive unused portion of drillsite will be reclaimed.

Unusually large wellsite: Large wellsite, 370'X400' location size required.

Damage to improvements: Slight, surface use is grass land.

Conflict with existing land use/values: Slight

Mitigation

☐ Avoid improvements (topographic tolerance)

☐ Exception location requested

☒ Stockpile topsoil

☐ Stream Crossing Permit (other agency review)

☒ Reclaim unused part of wellsite if productive

☐ Special construction methods to enhance reclamation

☒ Other: Requires DEQ General Permit for Storm Water Discharge Associated with Construction Activity, under ARM 17.30.1102(28).

Comments: Access will use existing county road and existing ranch trail. Existing access trail will be upgrade for heavy truck use from the county road into this location. A lined reserve pit will be used to hold drill cuttings and excess drilling fluids. Oil based invert drilling fluids will be recycled after the well in finished drilling. Free liquids in the reserve pit will be trucked to a Class II Disposal. Cuttings will be allowed to dry in the reserve pit, after drying the cuttings will be buried in the lined reserve pit. No special concerns.

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: None within 1 mile of this location.

Possibility of H2S: Yes, H2S possible.

Size of rig/length of drilling time: Triple drilling rig 20 to 30 days drilling time.

Mitigation:

☒ Proper BOP equipment

☐ Topographic sound barriers

☐ H2S contingency and/or evacuation plan

☐ Special equipment/procedures requirements

☐ Other: _____

Comments: Adequate surface casing and operational BOP should mitigate any problems. No concerns

Wildlife/recreation

(possible concerns)

Proximity to sensitive wildlife areas (DFWP identified): None identified.

Proximity to recreation sites: Little Missouri National Grassland is about 1.5 miles to the northeast from this location across the state line in North Dakota.

Creation of new access to wildlife habitat: No

Conflict with game range/refuge management: No

Threatened or endangered Species: The only listed threatened or endangered Species in Fallon County is the Whooping Crane. Candidate species are the Greater Sage

Grouse and Sprague's Pipit. NH Tracker website lists four (4) species of concern. They are the Baird's Sparrow, Sprague's Pipit, Chestnut Collared Longspur and the Greater Sage Grouse.

Mitigation:

- ☐ Avoidance (topographic tolerance/exception)
- ☒ Other agency review (DFWP, federal agencies, DSL)
- ☐ Screening/fencing of pits, drillsite
- ☐ Other: _____

Comments: Private surface grasslands. There maybe species of concern that maybe impacted by this wellsite. We ask the operator to consult with the surface owner as to what he would like done, if a species of concern is discovered at this location. The Board of Oil & Gas has no jurisdiction over private surface lands.

Historical/Cultural/Paleontological

(possible concerns)

Proximity to known sites None identified.

Mitigation

- ☐ avoidance (topographic tolerance, location exception)
- ☐ other agency review (SHPO, DSL, federal agencies)
- ☐ Other: _____

Comments: On private surface grasslands. There maybe possible historical/cultural/paleontological sites that maybe impacted by this wellsite. We ask the operator to consult with the surface owner as to his desires to preserve these sites or not, if they are found during construction of the wellsite. The Board of Oil & Gas has no jurisdiction over private surface lands.

Social/Economic

(possible concerns)

- ☐ Substantial effect on tax base
- ☐ Create demand for new governmental services
- ☐ Population increase or relocation

Comments: No concerns

Remarks or Special Concerns for this site

Well is a 10,844'MD/8814'TVD Red River Formation test.

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected. Some short term surface impacts will occur.

I conclude that the approval of the subject Notice of Intent to Drill (does/**does not**) constitute a major action of state government significantly affecting the quality of the

human environment, and (does/**does not**) require the preparation of an environmental impact statement.

Prepared by (BOGC): /s/ Steven Sasaki
(title:) Chief Field Inspector
Date: September 22, 2011

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC
website
(Name and Agency)
Fallon County water wells
(subject discussed)
November 22, 2010
(date)

US Fish and Wildlife, Region 6 website
(Name and Agency)
ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES MONTANA
COUNTIES, Fallon County
(subject discussed)

September 22, 2011
(date)

Montana Natural Heritage Program Website (FWP)
(Name and Agency)
Heritage State Rank= S1, S2, S3, T6N R61E
(subject discussed)

September 22, 2011
(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____